

SOUTH JERSEY LEGAL SERVICES, INC.
745 Market St.
Camden, NJ 08102
856-964-2010 Ext. 6274
By: DAVID M. PODELL (DP 1975)

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
TRENTON VICINAGE**

In Re:

REGENCY HOUSING PARTNERS, L.P.,

Debtor.

REGENCY PARK RESIDENTS'
ASSOCIATION, LISA MARIE MORRIS,
LUVENIA CALLUM, PIERRETTE CHANG,
NAM CHAN CHO, RUTH DAVERN,
STEPHEN DREXLER, CHANEY HALLET,
ANNETTE & RICHARD HALSEY,
REN QIAO HUO, JACQUELINE JETER,
SAM KIM, ANNE LUYSER, MILDRED
MCDOWELL, MURIEL STREET, and
EVANGELA YOUNG,

Plaintiffs,

v.

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN
DEVELOPMENT, and ALPHONSO
JACKSON, in his official capacity as
Secretary of the United States Department of
Housing and Urban Development,

Defendants.

Case No.: 07-20228 (MBK)

Chapter 7

Judge: Hon. Michael B. Kaplan

Adv. No. _____

**CERTIFICATION OF DAVID M. PODELL, ESQ., IN SUPPORT OF
APPLICATION FOR TEMPORARY RESTRAINING ORDER AND
PRELIMINARY INJUNCTION**

I, David M. Podell, Esq., of full age, hereby certifies as follows:

1. I am a staff attorney employed by South Jersey Legal Services, Inc., attorneys for the Plaintiffs in this adversary proceeding. I make this Certification in support of Plaintiffs' application for a Temporary Restraining Order to stop Defendant United States Department of Housing and Urban Development (HUD) from selling its HUD-held first mortgage on Regency Park Apartments in a non-public sale on September 19, 2007.

2. Regency Park Resident Association consists of approximately 40 members currently living at Regency Park Apartments, a 6-floor mid-rise building located at 64 Regency Drive, in Mount Holly, New Jersey, and in about forty (40) townhomes for families across the street on Regency Drive and Victoria Court. Not all resident association members are individual plaintiffs. Residents are a diverse community of Caucasian, African-American, and Asian persons. All of the residents in the mid-rise are either senior citizens or disabled, or both, and most of them have very limited incomes from Social Security Disability or Retirement or Supplemental Security Income (SSI), state General Assistance, or pension benefits. Nine (9) plaintiffs have Section 8 housing rental assistance vouchers from the Burlington County Rental Assistance Program (BRAP): Nam Chan Cho, Ruth Davern, Stephen Drexler, Chaney Hallet, Ren Qiao Huo, Jacqueline Jeter, Sam Kim, Mildred McDowell, and Evangela Young. The remaining six resident plaintiff households pay approximately \$638 a month rent: Lisa Marie Morris (who is the elected president of the resident association), Luvenia Callum, Pierrette Chang, Richard and Annette Halsey, Anne Luyster, and Muriel Street.

3. Defendant HUD, the New Jersey Housing Mortgage Finance Agency (HMFA), and the Township of Mount Holly, all have mortgages on the property with

restrictive covenants allowing rental of the 123 apartments only to low-income senior and disabled tenants and lease of the 40 townhomes only to low-income families. Annexed hereto as Exhibit A is an extract from a title search obtained by South Jersey Legal Services, Inc. in April of 2007. It shows in Schedule B, Paragraph 10, on page 5 that the \$5.5 million mortgage was assigned to Defendant HUD on November 20, 2006, and recorded on December 20, 2006.

4. Annexed hereto as Exhibit B is a copy of the mortgage obtained by South Jersey Legal Services, Inc. from the Burlington County Courthouse on September 7, 2007. It also shows the assignment of the mortgage to Defendant HUD.

5. Annexed hereto as Exhibit C is a copy of the Regulatory Agreement accompanying the mortgage between Defendant HUD and the Debtor, which South Jersey Legal Services, Inc. obtained from the Burlington County Courthouse on September 7, 2007?

6. Plaintiffs originally filed a receivership action in state chancery court in Burlington County four (4) months ago on May 14, 2007, along with an application for an Order To Show Cause with Temporary Restraints. Annexed hereto as Exhibit D is a true copy of the Complaint filed in state court.

7. The court issued an Order To Show Cause without Temporary Restraints granting Plaintiffs' request for a summary proceeding pursuant to state R. 4:67 on Plaintiffs' Petition for Receivership and scheduling a return date on Friday, June 1, 2007. Annexed hereto as Exhibit E is a true copy of the signed Order To Show Cause by the state court.

8. Defendant HUD removed Plaintiffs' receivership action to federal district court on May 25, 2007. Annexed hereto as Exhibit F is a true copy of the Notice of Removal electronically filed by the United States Attorney's Office. The case was assigned to the Honorable Joseph H. Rodriguez and docketed as Regency Park Residents' Association et al. v. Regency Housing Partners, L.P. et al., Case No. 1:07-cv-02465-JHR-JS.

9. On June 13, 2007, Plaintiff moved for a Temporary Restraining Order and Preliminary Injunction to appoint a receiver. Annexed hereto as Exhibit G are Plaintiffs' moving papers and accompanying certifications, which are all incorporated herein by reference.

10. On June 20, 2007, the Honorable Joseph H. Rodriguez conducted a telephonic conference call and issued a Preliminary Injunction to appoint a receiver. Annexed hereto as Exhibit H is the Order.

11. On July 11 and July 12, 2007, the resident association and the undersigned interviewed Karen Robbins of Woolman CDC and two other management companies who were interested in being appointed as receiver of Regency Park Apartments. After the third interview on July 12, the residents voted overwhelmingly to recommend Woolman CDC as receiver.

12. On July 20, 2007, however, before the Honorable Joseph H. Rodriguez had made a decision, the owner Regency Housing Partners, L.P. filed a voluntary petition under Chapter 7.

13. On July 24, 2007, the residents and the undersigned interviewed Related Management as a potential partner for Woolman and afterwards voted overwhelmingly to approve Related Management.

14. On July 31, 2007, this Court granted a temporary Operating Order to the Chapter 7 Trustee, Bunce Atkinson, to hire Related Management to operate Regency Park Apartments for the month of August.

15. On August 27, 2007, this Court granted the Chapter 7 Trustee's motion to extend the contract with Related Management to continue managing Regency Park Apartments.

16. On August 30, 2007, the undersigned learned from Karen Robbins that Defendant HUD was planning to sell the mortgage on Regency Park Apartments at a non-public sale on September 19, 2007. Annexed hereto as Exhibit I is Defendant HUD's website for its Multifamily & Healthcare Loan Sale ("MHLS 2007-1") with accompanying links at <http://www.hud.gov/offices/hsg/comp/asset/mfam/mhls.cfm>.

17. After informal communications starting on September 4, 2007, with Anthony LaBruna, the assistant United States Attorney representing Defendant HUD for the past 4 months, the undersigned sent a demand letter on September 12, 2007, annexed hereto as Exhibit J. No response was received.

18. Last Friday, September 14, 2007, Defendant HUD for the first time published a notice in the Federal Register about the sale annexed hereto as Exhibit K.

19. I certify under penalty of perjury that the foregoing is true and correct.

Dated: Sept. 17, 2007

/s/ David M. Podell
David M. Podell